

Financial Statements of

**THE BOW VALLEY SOCIETY FOR THE
PREVENTION OF CRUELTY TO ANIMALS
(Operating as “The Bow Valley SPCA”)**

December 31, 2008

The Bow Valley Society For The Prevention Of Cruelty To Animals

123 Bow Meadows Crescent, Canmore, Alberta, T1W 2T9 T 403-609-2022 F 403-609-2110

Management's Report

Management is responsible to the Board of Directors for the preparation of the financial statements of The Bow Valley Society For The Prevention Of Cruelty To Animals (Operating as "The Bow Valley SPCA") (the "Organization"). These statements have been prepared in accordance with Canadian generally accepted accounting principles for non-profit organizations and necessarily include some amounts based on estimates and judgements.

The Organization maintains a system of internal control, which provides management with reasonable assurance that assets are safeguarded and that reliable financial records are maintained. This system includes written policies and procedures and an organizational structure that segregates duties to the extent possible. The Organization has also instituted policies and guidelines, which require employees to maintain the highest ethical standards.

The external auditors of the Organization, Chengkalath Van Eyck Chartered Accountants, have been appointed by the board to express an opinion as to whether the financial statements present fairly the Organization's financial position and operating results in accordance with Canadian generally accepted accounting principles for non-profit organizations. Their report follows.

The Board of Directors has reviewed and approved these financial statements. The Board meets periodically with management and the external auditors to review internal controls, audit results and accounting principles and practices.



Sonya White

Manager

The Bow Valley Society For The Prevention Of Cruelty To Animals

April 6, 2009

Auditors' Report

To the Members of The Bow Valley Society For The Prevention Of Cruelty To Animals:

We have audited the statement of financial position of The Bow Valley Society For The Prevention Of Cruelty To Animals (Operating as "The Bow Valley SPCA") (the "Organization") as at December 31, 2008 and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the Organization derives revenue from fund raising activities, donations and memberships, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to the statement of operations and the statement of financial position.

In our opinion, except for the effect of the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects the financial position of the Organization as at December 31, 2008 and the results of its financial activities and the changes in its cash position for the year then ended in accordance with Canadian generally accepted accounting principles.

Chengkalath Van Eyck
Chartered Accountants

April 6, 2009

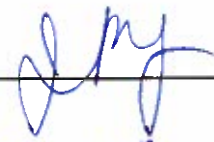

**THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(Operating as "The Bow Valley SPCA")**

Statement of Financial Position

As at December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash and short term investments	\$ 172,165	\$ 236,865
Cash - restricted (note 4)	65,175	-
Marketable securities	131,815	128,360
Accrued receivables	6,237	6,314
Deposits	1,500	11,000
Prepaid expenses	975	2,010
	<u>377,867</u>	<u>384,549</u>
Property and equipment (note 3)	<u>951,276</u>	<u>993,101</u>
	<u>\$ 1,329,143</u>	<u>\$ 1,377,650</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,835	\$ 13,122
Deferred contributions (note 4)	65,175	-
	<u>71,010</u>	<u>13,122</u>
NET ASSETS		
Invested in property and equipment	951,276	993,101
Endowments (note 5)	127,571	127,571
Unrestricted net assets	179,286	243,856
	<u>1,258,133</u>	<u>1,364,528</u>
	<u>\$ 1,329,143</u>	<u>\$ 1,377,650</u>

Approved on behalf of the Board:

 PRESIDENT
 TREASURER

THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS

(Operating as "The Bow Valley SPCA")

Statement of Changes in Net Assets

For the Years Ended December 31, 2008 and 2007

	<u>Invested in property and equipment</u>	<u>Endowments</u>	<u>Unrestricted net assets</u>	<u>2008</u>	<u>2007</u>
Balance, beginning of year	\$ 993,101	\$ 127,571	\$ 243,856	\$ 1,364,528	\$ 1,210,106
Excess of revenues over expenditures (expenditures over revenues)	(41,825)	-	(64,570)	(106,395)	52,003
Additions to property and equipment	-	-	-	-	-
Endowment contributions	-	-	-	-	102,419
Balance, end of year	\$ 951,276	\$ 127,571	\$ 179,286	\$ 1,258,133	\$ 1,364,528

THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(Operating as "The Bow Valley SPCA")
Statement of Operations
For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues		
Donations	\$ 64,197	\$ 90,650
Fundraising events	19,291	26,428
Grants	6,386	84,453
Membership fees	1,095	770
Adoption fees	22,670	8,620
Re-homing fees	7,785	4,075
Investment income	9,404	15,589
	<u>130,828</u>	<u>230,585</u>
Expenditures		
Administration	12,535	11,038
Advertising	5,572	10,689
Amortization	41,825	21,529
Automotive	1,521	1,319
Contract services	31,060	15,530
Facilities	22,098	13,726
Fundraising events	2,398	5,776
Supplies	5,464	19,048
Wages and benefits	114,750	79,927
	<u>237,223</u>	<u>178,582</u>
Excess of revenues over expenditures (expenditures over revenues)	\$ (106,395)	\$ 52,003

THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(Operating as "The Bow Valley SPCA")

Statement of Cash Flows

As at December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating activities		
Excess of revenues over expenditures (expenditures over revenues) for the year	\$ (106,395)	\$ 52,003
Addback (deduct) non-cash items:		
Amortization of capital assets	41,825	21,529
Changes in non-cash working capital		
Increase in marketable securities	(3,455)	(107,559)
Decrease in accrued receivables	77	15,368
Decrease in deposits	9,500	-
Decrease in prepaid expenses	1,035	3,891
Decrease in accounts payable and accrued liabilities	(7,287)	(26,682)
Increase in deferred contributions	65,175	-
Cash provided by (used for) operating activities	475	(41,450)
Investing activities		
Additions to property and equipment	-	(188,567)
Cash used for investing activities	-	(188,567)
Financing activities		
Endowment contributions	-	102,419
Cash provided by financing activities	-	102,419
Net change in cash and cash equivalents	475	(127,598)
Cash and cash equivalents, beginning of year	236,865	364,463
Cash and cash equivalents, end of year	\$ 237,340	\$ 236,865

Cash and cash equivalents consists of:

Cash - unrestricted	(13)	35,670
Cash - restricted	65,175	-
Short term investments	172,178	201,195
	\$ 237,340	\$ 236,865

THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(Operating as "The Bow Valley SPCA")
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

1. INCORPORATION AND PURPOSE OF THE ORGANIZATION

The Bow Valley Society For The Prevention Of Cruelty To Animals (Operating as "The Bow Valley SPCA") (the "Organization") has created the Carla Cumming Sojonky Adoption Centre for abandoned dogs and cats in the Bow Valley region of Alberta in the heart of the Canadian Rocky Mountains, which is a NO-KILL, NO-CAGE facility.

The Organization was incorporated under the Alberta Societies Act as a registered charity on April 10, 2000. The Organization is a non-profit organization and, under present legislation, is not subject to income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada for non-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases to net assets.

(b) Property and equipment

Property and equipment is recorded at cost. Amortization on property and equipment is calculated at rates designed to charge operations with the cost of property and equipment, over their estimated useful lives, as follows:

Buildings	-	declining balance, 4% per annum
Automotive equipment	-	declining balance, 30% per annum

(c) Financial instruments

The carrying value of cash, marketable securities, accrued receivables, deposits, prepaid expenses and accounts payable and accrued liabilities approximate their fair values due to their short term nature.

Unless otherwise noted, it is the board's opinion that the Organization is not exposed to significant interest rate, currency or credit risks arising from its financial instruments.

(d) Use of estimates

The preparation of financial statements in accordance with generally accepted principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from the estimates made by the Organization as additional information becomes available in the future.

THE BOW VALLEY SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS
(Operating as "The Bow Valley SPCA")
Notes to the Financial Statements
For the Years Ended December 31, 2008 and 2007

(e) Contributed services

The work of the Organization is dependant on and thankful for the voluntary services of many individuals and organizations. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

3. PROPERTY AND EQUIPMENT

	2008		2007	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Building	\$ 1,005,119	\$ 59,502	\$ 945,617	\$ 985,017
Automotive equipment	9,511	3,852	5,659	8,084
	\$ 1,014,630	\$ 63,354	\$ 951,276	\$ 993,101

4. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for operating funding received in the current period that is related to the subsequent period. Changes in the deferred contribution balances are as follows:

	2008	2007
Beginning balance	\$ -	\$ -
Add: contributions received	73,453	-
Less: amounts recognized as revenue in the year	(8,278)	-
Ending balance	\$ 65,175	\$ -

5. ENDOWMENTS

The Organization has established several endowment funds. Contributions to these funds are to be maintained for at least a 10 year period, unless otherwise specified by the donor, during which time any investment income earned on the funds are to be used for purposes specified by the donor. Balances in specific endowment funds are as follows:

	2008	2007
Tavi-Mimi-Rigby Spay & Neuter Endowment Fund	\$ 25,152	\$ 25,152
Mimi Sojonky Memorial Spay & Neuter Endowment Fund	24,794	24,794
Somerville Family Endowment Fund	20,000	20,000
Beverly Bendell Endowment Fund	57,625	57,625
	\$ 127,571	\$ 127,571